

Sibelco (UK) Limited

Directors' report and financial statements

31 December 2002

Registered Number 02624570



Sibelco (UK) Limited

Directors' report and financial statements

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Sibelco (UK) Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2002.

Principal activities

The company's principal activity will continue to be the utilisation of land.

Business review

Royalties received amount to £95,174 (2001: £89,741). The company's results of the estate was a loss of £59,563 (2001: £65,023).

Proposed dividend and transfer to reserves

The directors do not recommend the payment of a dividend.

The profit for the year of £14,942 (2001: profit of £1,702) is deducted from the accumulated deficit.

Directors and directors' interests

The directors who held office during the year were as follows :

G. Emsens
F. Fernandez (appointed 15 October 2002)
S. Emsens (resigned 15 October 2002)

The directors who held office at the end of the year had no disclosable interest in the shares of the company.

Auditors

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG LLP as auditors of the company, is to be proposed at the forthcoming Annual General Meeting.

By order of the board



F Fernandez
Director

Brookside Hall
Congleton Road
Sandbach
Cheshire
CW11-4TF

20th June
..... 2003

Sibelco (UK) Limited

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss for that period. In preparing those financial statements, the directors are required to :

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonable open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Jh.



KPMG LLP

8 Salisbury Square
London
EC4Y 8BB

Sibelco (UK) Limited

Report of the independent auditors to the members of Sibelco (UK) Limited

We have audited the financial statements on pages 4 to 10.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards, as independent auditors, are established by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG LLP
KPMG LLP

Chartered Accountants
Registered Auditor

17 September 2003

Sibelco (UK) Limited

Profit and loss account

for the year ended 31 December 2002

	Note	2002 £	2001 £
Royalties received	2	95,174	89,741
Estate income		34,695	20,900
Other income		105	105
Costs of running estate		(94,258)	(85,923)
Depreciation	7	(13,600)	(13,600)
Administrative expenses		(7,050)	(9,403)
		<hr/>	<hr/>
Operating profit continuing operations		15,066	1,820
Interest payable and similar charges		(124)	(118)
		<hr/>	<hr/>
Profit on ordinary activities before taxation	2-7	14,942	1,702
Tax on profit on ordinary activities	6	-	-
		<hr/>	<hr/>
Profit for the financial year		14,942	1,702
Loss brought forward		(73,960)	(75,662)
		<hr/>	<hr/>
Loss carried forward		(59,018)	(73,960)
		=====	=====

There were no gains or losses during the current or preceding year other than those passing through the profit and loss account. All of the turnover and results for the year arise from continuing operations for both the current and preceding year.

A note on historical cost gains and losses has not been included as part of the financial statements as the results as disclosed in the profit and loss account are prepared on an unmodified cost basis.

Jh.

Sibelco (UK) Limited

Balance sheet

at 31 December 2002

	Note	2002 £	2001 £
Fixed assets			
Tangible assets	7	1,843,458	1,857,058
Current assets			
Cash at bank and in hand		50,572	43,159
Debtors	8	57,468	36,339
		<u>108,040</u>	<u>79,498</u>
Creditors: amounts falling due within one year	9	<u>(10,516)</u>	<u>(10,516)</u>
Net current assets		97,524	68,982
Creditors: amounts falling due after one year	10	<u>(900,000)</u>	<u>(900,000)</u>
Net assets		<u>1,040,982</u> =====	<u>1,026,040</u> =====
Capital and reserves			
Called up share capital	11	1,100,000	1,100,000
Profit and loss account		<u>(59,018)</u>	<u>(73,960)</u>
Equity shareholders' funds	12	<u>1,040,982</u> =====	<u>1,026,040</u> =====

These financial statements were approved by the board of directors on
 .. 30. June 2003 and were signed on its behalf by :



F. Fernandez
 Director

Sibelco (UK) Limited

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements. The company has adopted FRS 18 'Accounting policies' and FRS 19 'Deferred tax' in these financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules. The company has taken advantage of the exemptions contained in Financial Reporting Standards numbers 1 and 8 and has not prepared a cash flow statement or disclosed transactions and balances with related parties.

Fixed assets and depreciation

The company's policy is to amortise mineral extraction rights over the minerals during extraction. Until mining begins the directors conduct an annual impairments review of land and buildings. Depreciation is provided by the company to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Freehold buildings - 20 years
Freehold land is not depreciated

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Taxation

Taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. In accordance with FRS 19, deferred tax is now recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Sibelco (UK) Limited

Notes (continued)

2 Analysis of turnover and loss on ordinary activities before taxation

All turnover and results before taxation are derived from the utilisation of land and the management and development of the estate. The company received royalties amounting to £95,174 (2001: £89,741) in respect of rights to mine the land which have yet to be exercised.

3 Profit on ordinary activities before taxation

	2002	2001
	£	£
Profit on ordinary activities before taxation is stated		
after charging		
Depreciation	13,600	13,600
Auditor's remuneration :		
Audit	4,700	4,700
Other	2,350	4,703
	=====	=====

4 Remuneration of directors

Directors received no emoluments during the year (2001 : fnil).

5 Staff numbers and costs

The average number of persons employed by the company (excluding directors) during the year was nil (2001 : nil).

Sibelco (UK) Limited

Notes (continued)

6 Taxation

The charge for taxation was as follows :

	2002 £	2001 £
UK corporation tax at 30% (2001 : 30%)	-	-
	=====	=====

The company has tax losses carried forward of approximately £39,000 (2001: £67,000).

Current tax reconciliation

	2002 £	2001 £
Profit on ordinary taxation before tax	14,942	1,702
	-----	-----
Corporation tax at 30%	4,483	511
Non taxable income		(166)
Depreciation in excess of capital allowances	3,996	3,970
Utilisation of losses	(8,479)	(4,313)
	-----	-----
	-	-
	=====	=====

7 Tangible fixed assets

	Freehold land £	Freehold buildings £	Total £
Cost			
At beginning of year	1,171,258	273,000	1,944,258
	-----	-----	-----
At end of year	1,671,258	273,000	1,944,258
	=====	=====	=====
Depreciation			
At beginning of year	-	87,200	87,200
Charge for year	-	13,600	13,600
	-----	-----	-----
At end of year	-	100,800	100,800
	=====	=====	=====
Net book value			
At 31 December 2002	1,671,258	172,200	1,843,458
	=====	=====	=====
At 31 December 2001	1,671,258	185,800	1,857,058
	=====	=====	=====

The rights to minerals are assigned to a third party on a 35 year lease from 1985 with a renewal option.

Sibelco (UK) Limited

Notes (continued)

8 Debtors

	2002 £	2001 £
Trade debtors	33,675	36,339
Royalties - accrued income	23,793	-
	<hr/>	<hr/>
	57,468	36,339
	=====	=====

8 Creditors : amounts falling due within one year

	2002 £	2001 £
Amounts owed to the parent undertaking	3,816	3,816
Accruals	6,700	6,700
	<hr/>	<hr/>
	10,516	10,516
	=====	=====

The amounts owed to the parent undertaking are unsecured and interest free. No repayment dates have been fixed.

10 Creditors : amounts falling due after one year

	2002 £	2001 £
Amounts owed to the parent undertaking	900,000	900,000
	<hr/>	<hr/>
	900,000	900,000
	=====	=====

The amounts owed to the parent undertaking are unsecured and interest free. While the repayment is after one year, no specific repayment dates have been fixed.

Jh.

Sibelco (UK) Limited

Notes (continued)

11 Called up share capital

	2002 £	2001 £
Authorised		
Equity: Ordinary shares of £1 each	1,100,000	1,100,000
	=====	=====
Equity: Allotted, called up and fully paid		
Ordinary shares of £1 each	1,100,000	1,100,000
	=====	=====

12 Reconciliation of movements in shareholders' funds

	2002 £	2001 £
Profit for the financial year	14,942	1,702
Opening shareholders' funds	1,026,040	1,024,338
	-----	-----
Closing shareholders' funds	1,040,982	1,026,040
	=====	=====

13 Ultimate parent company and parent undertaking of larger group of which the company is a member

The company is a subsidiary undertaking of S.C.R.-Sibelco N.V. incorporated in Belgium.

The smallest and largest group in which the results of the company are consolidated is that headed by this company. The consolidated accounts of the group are available to the public and may be obtained from Brookside Hall, Congleton Road, Sandbach, Cheshire CW11-4TF.

